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**Let us join hands to include the financially excluded!**  
Partner with Karandaaz Pakistan  
for experimentation in Digital Financial Services

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## Digital Experiments – Call for Action

**Note: All applications will be submitted through email at [digital.experiments@karandaaz.com.pk](mailto:digital.experiments@karandaaz.com.pk)**

**Any queries related to this call for action can be sent at [digital.experiments@karandaaz.com.pk](mailto:digital.experiments@karandaaz.com.pk) before 31st January 2019**

**Deadline for submission of application is 11<sup>th</sup> Feb 2019, 6pm.**

### 1. Terms of Reference

#### Overview of Digital Experiments:

Given the early stages of Pakistan's digital financial services market and the low number of active accounts in the Digital Financial Services (DFS) space, there is a wide gap in determining the pricing, products, and messaging strategies that maximize the poor's adoption and usage of digital financial services.

Financial Inclusion in Pakistan stands at 21.3% (World Bank Global Findex Report 2018), whereas financial inclusion in India is at 79.9%, 81.6% in Kenya and 46.8% in Tanzania. Access to finance, financial literacy, account opening, usage and activation are key issues hampering the growth of DFS and ultimately leading to low financial inclusion in the country.

Karandaaz aims to conduct experiments in partnership with the DFS providers to address the barriers related to uptake and active usage of digital accounts. The lessons learnt generated through these experiments will be widely disseminated for the diffusion and uptake of best practices by the DFS

practitioners. A special focus of these experiments will be testing ideas/products/services/incentive structures that will accelerate the uptake of DFS by excluded and underserved segments, especially rural women. AB testing will be conducted through these experiments to extract results.

*AB Testing is a randomized experiment which compares 2 variants, A and B, and its effect on different group of users to measure the most effective variation. One group is made the control group, who are purposefully isolated from the variables of an experiment to compare the results against a benchmark. Statistical analysis is then used to determine which variation performs better for a given conversion goal.*

## 2. Objectives

The objective of these experiments are as follows:

- Digital Experiments will provide an opportunity to participants/applicants to test Ideas/product which they are apprehensive to take on their own due to risk of failure and commercial loss.
- Karandaaz intends to trigger these experiments to provide additionality and to work for the promotion of financial inclusion in Pakistan.
- Karandaaz intends to create public goods to accelerate diffusion of best practices in digital financial inclusion space.

## 3. Thematic Focus Areas of Experiments

Thematic focus of experiments are outlined below.

- Conversion of In-active/non-users to active users through variation in communication strategies.
- To boost user's engagement on digital accounts by product level changes.
- To test price elasticity on payment transactions by end users.
- To boost mobile account usage by conducting financial inclusion focused experiments especially for women

## 4. ELIGIBILITY CRITERIA:

Category A
<ul style="list-style-type: none"><li>• Should have at least 1 million customers or minimum experience of 5 years in the branchless or commercial banking industry</li><li>• Should have a branchless banking or a commercial banking license.</li><li>• Partners Example: Commercial banks, DFSPs, etc.</li></ul>

Category B
<ul style="list-style-type: none"><li>• Should have at least 200k customers or minimum experience of 3 years in the branchless banking/banking/fintech industry etc.</li><li>• Should be registered with the relevant regulator.</li><li>• Partners Example: PSO/PSPs,EMIs, NBFi, MFIs,MFBs, Fintechs or any financial services industry.</li></ul>

- Applicant should have the capability to run data analytics or if the capability is not present, should be willing to partner with a third party who can provide data analytics services to them.

- Applicant should have the capability to conduct AB testing for the digital experiment, if the capability is not present, should be willing to partner with a third party who may provide such services.
- Applicant should be willing to share data arising out of the experiment with Karandaaz at a mutually agreed reporting format and frequency.
- Applicant should be willing to run required analysis & share trends with Karandaaz that would present a holistic view of the impact pre-& post experiment.
- Share insights on the resulting trends during & after the experiment.

## 5. Template for Submission of Application

Please fill out the table below and email it at [digital.experiments@karandaaz.com.pk](mailto:digital.experiments@karandaaz.com.pk)

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<b>Proposed hypothesis for digital experiment:</b>	(A brief narrative of your experiment)
<b>Thematic Focus Area (Tick mark your choice)</b>	<input type="checkbox"/> Conversion of In-active/non-users to active users through variation in communication strategies. <input type="checkbox"/> To boost user's engagement on digital accounts by product level changes. <input type="checkbox"/> To test price elasticity on payment transactions by end users. <input type="checkbox"/> To boost mobile account usage by conducting financial inclusion focused experiments especially for women
<b>Category applied for</b>	<input type="checkbox"/> Category A <input type="checkbox"/> Category B
<b>Applicant details</b>	
Organization Name	
Applicant Name	
Applicant Designation	
Contact Details	
Department	
Registered Office Address	